GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3165
ANSWERED ON:22.03.2002
WRITING OFF BANK LOANS
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Will the Minister of FINANCE be pleased to state:

(a) whether at a meeting of the CEOs of PSU banks in New Delhi on November 12, 2001 to review the problem of non-performing assets of these banks was held;

(b) if so, the main points discussed therein;

(c) the details of amount of loans and dues from corporates to public sector banks were written off during 2000-01 and 2001-02; and

(d) the reasons for the write-off ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a) & (b): The Finance Minister had taken a meeting with Chief Executives of Public Sector Banks on 12th November, 2001. The issue of Non-Performing Assets (NPAs), among other things, was discussed alongwith the need for taking stringent action against wilful defaulters sharing of information on defaulters by banks and financial institutions, publishing of names of suit-filed borrowers, making the Debt Recovery Tribunals (DRTs) more effective, follow-up of recovery of high value NPAs, setting up of asset reconstruction company, one time settlement scheme for NPAs with credit limits upto Rs.25,000/- and increased use of Lok Adalats for recovery of NPAs.

(c): Reserve Bank of India(RBI) has reported that during the year 2000-01, the public sector banks had written-off Rs.1718.20 crore of corporate loans. Data relating to the year 2001-02 will be available after the close of the financial year.

(d): The banks write-off their loans after all possible efforts for recovery have failed and there are no further prospects for their recovery.